

The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
Parliament House
CANBERRA ACT 2600



EMP Inquiry
Submission No. 7

Dear Madam

Inquiry into increasing participation in paid employment

Thank-you for inviting me to make a submission to the House of Representatives Standing Committee on Employment and Workplace Relations inquiry into increasing participation in paid employment.

I wish to address the issue of very long term unemployment in Australia. I have five main points.

1. There has been a rising trend in the number of unemployed people who have been without a job for over 2 years in Australia since the 1970s. A large proportion of them have been without stable employment since leaving school.
2. Both Australian and overseas evaluations of labour market programs have shown that their effect on the ability of these very long term unemployed people to gain a job is modest. Moreover, the effect on the very long term unemployed's ability to retain a job for longer than 12 months is almost negligible. These programs include job counselling, job training, short-term wage subsidies and short term job creation.
3. Anecdotal evidence suggests that many of these people have chronic social, educational and health problems that are not going to be resolved by short-term employment programs.
4. Nonetheless, stable employment is an important ingredient in their longer term rehabilitation.
5. At present, the only known way to ensure most of these people retain on-going jobs is either to offer them public employment or to organise for large commercial organisations to each employ a limited number of them.

I have attached an article by Michael Dockery and myself which provides a discussion of these issues.

Please do not hesitate to contact me if you require further clarification

Yours faithfully

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